

Selection Process for Systems Change Grants

We wish to convey our deep appreciation to the hundreds of state agency personnel, people with disabilities, constituency organizations, consumer task forces, providers, and many others who worked hard to develop their proposals for systems change and formulate agreement on state strategies.

The response of states to the invitation to apply was extraordinary. The response revealed a strong interest on the part of states and their citizens to improve their community-based systems, and a vital role for federal technical and resource assistance.

The exceptional level of interest meant that the selection process was highly competitive. We regret that we were unable to provide help to many applicants that had very good proposals. We also hope that the authors of the applications - and members of the consumer task forces that worked hard to develop many of the ideas - appreciate that denial of a grant application does not necessarily mean that the proposal was not a good one. It generally meant that a good proposal was just not ranked as highly as another excellent proposal from another applicant.

We took a number of steps to extend the grant funding to as many states as possible. If an applicant received less funding than others in the same grant category, it generally meant that the application was ranked in a lower scoring category by the reviewers.

Below are more details about the selection process.

States Enthusiastically Responded to the Systems Change Grant Opportunities

- A total of 54 out of the eligible 56 States and Territories (96% of eligibles) applied for the initial \$50,000 "Starter Grants." These Starter Grants were intended to help states design innovations, to support participation of consumer taskforces, and to help foster the public private partnerships necessary to plan for the opportunities under Systems Change Grants. Additional information about the "Starter Grants" is at <http://www.hcfa.gov/medicaid/realchoice/default.htm>.
- On May 22, 2001 the "Coordinated Invitation to Apply" for the main Systems Change Grants was published in the *Federal Register*.
- CMS received 161 applications for the main Systems Change grants from 51 States and Territories (48 States, the District of Columbia, and 2 Territories) requesting funding totaling approximately \$240 million.

The Grant Process Was Highly Competitive

- The strong state and ILC response to the “Coordinated Invitation to Apply” meant that the selection process was very competitive. Applications were scored using the criteria identified in advance in the grant solicitation.
- To ensure an objective and informed selection process, eighty-six highly qualified and knowledgeable individuals met, reviewed and independently scored each proposal. Reviewers came from all over the country and included people with disabilities and other consumers, providers, consumer organizations, State and Federal staff. No State staff reviewed any State proposals in order to avoid any appearance of a conflict of interest.
- In making final grant award decisions, CMS gave primary consideration to the scores of the panel reviewers in two ways: (a) the selection of grants to be awarded, and (b) the amount of funding any application received.
- Within each type of grant, applications were grouped into "A, B and C" categories according to panelists' scores. Grants scoring between 100-91 comprised the "A" category, 90-81 the "B" category, 80-71 the "C" category, etc. This grouping was used in determining the maximum amount of funding. In general, the "A" group of applications received more funding than the "B" group, unless the application requested a lesser amount of funding.
- In a few cases, reductions were made to the final awards to eliminate certain proposed programmatic activities that did not address the review criteria or were duplicative of other grant activities. For example, some proposed employment-related grant activities were duplicative of activities under the Ticket to Work and Work Incentive Improvement Act of 1999 infrastructure grants.
- We were unable to fund certain applications either because they did not meet the requirements of the solicitation or a state submitted more than one application for the same type of grant. When a state submitted more than one application for the same type of grant, we funded the highest-ranked application.
- Where geographical considerations applied, we went to the next highest ranked application to assure balance.

Stretching Funds to Include as Many States as Possible

- To be able to make more grant awards, we exercised our reserved right to offer the applicant funding below the original maximum amounts indicated in the “Coordinated Invitation to Apply”.
- Within each scoring category (A, B, or C), we set a new and lower maximum grant award. The largest adjustment was in the "Real Choice" grants. As shown in the table below, the "A" group was reduced from a maximum of \$3.5 million to \$2.3 million, the "B" group to \$2.0 million, and the "B minus" group to \$1.025 million.

Grant Type	Original Maximum Award	Revised Maximum Award
Real Choice	\$3.5 M	"A" - \$2.3M "B" - \$2.0M "B-" - \$1.025M (last five awards)
C-PASS	\$1.2 M	"A" - \$0.9 M "B" - \$0.85 M
NFT – State Program	\$1.2 M	"A" - \$0.8M "B" - \$0.77 M
NFT – Independent Living Partnership	\$0.6 M	"A" - \$0.45 M "B" - \$0.4 M

- Where applicants requested less than the revised maximum award, we reduced these awards by 10%.
- As described in the grant solicitation, if CMS exercised its right to offer an amount less than the amount that the applicant requested, then the Grantee will be given an opportunity to propose adjustments to the scope of its activities and negotiate with us as to how it could best fulfill its intent with reduced funding.
- By reducing the maximum amount that could be awarded for each type of grant we were able to make 19 additional grant awards. The table below shows that if we had not reduced the maximum amount that any applicant received, we would have been able to make only 23 instead of 52 awards.

Grant Type	Number of Potential Awards if No Reductions	Actual Number of Awards under revised maximums
Real Choice	15	25
Community PASS	7	10
NFT – State Program	8	12
NFT – Indep. Living Partnership	3	5
TOTAL	23	52

If you have any questions regarding your particular grant application, please contact Susan Hill, Director, Division of Advocacy and Special Issues. (DASI)
Shill@cms.hhs.gov.

We are interested in your feedback so that we might consider how to make future grant solicitations as useful as possible. If you would be good enough to share your thoughts with us, please send Mary Guy, Health Insurance Specialist, Division of Advocacy and Special Issues, an e-mail at Mguy@cms.hhs.gov.